

Exhibit B2

Relevant Deposition Excerpts for Jo Ann Sala

SIPC v BLMIS

Sala 5/19/2016

CONFIDENTIAL

Page 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Adv. Pro. No.
08-01789 (SMB)

Plaintiff,

SIPA Liquidation

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

(Substantially
Consolidated)

Defendant.

CONFIDENTIAL

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In Re:

BERNARD L. MADOFF,

Debtor.

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Videotaped Deposition of JO ANN SALA as reported by Nancy C. Bendish, Certified Court Reporter, RMR, CRR and Notary Public of the States of New York and New Jersey, at the home of JO ANN SALA, 23 Shady Court, Bay Shore, New York, on Thursday, May 19, 2016, commencing at 10:05 a.m.

BENDISH REPORTING

877.404.2193

SIPC v BLMIS**Sala 5/19/2016****CONFIDENTIAL**

13 (Pages 46 to 49)

Page 46	Page 48
<p>1 this document?</p> <p>2 A. Looks like Jodi's.</p> <p>3 Q. Do you see the entry that's about</p> <p>4 a quarter of the way down the page that appears</p> <p>5 to be in a different handwriting that says "R.</p> <p>6 Jaffe"?</p> <p>7 A. Um-hum.</p> <p>8 Q. Yes?</p> <p>9 A. Yes.</p> <p>10 Q. Do you recognize that handwriting?</p> <p>11 A. It looks like Annette's.</p> <p>12 Q. I'd like to turn to the next page,</p> <p>13 which is HWN00001651. Ms. Sala, do you</p> <p>14 recognize this document?</p> <p>15 MS. CHAITMAN: I'm sorry, did you</p> <p>16 say 1701?</p> <p>17 MS. BROWN: 1651.</p> <p>18 MS. CHAITMAN: Okay, okay.</p> <p>19 A. It's the same thing, only there's</p> <p>20 two capital withdrawals on the bottom.</p> <p>21 Q. And what's a capital withdrawal?</p> <p>22 A. That's -- they're people that --</p> <p>23 first of all, that's an option account, the 3-0.</p> <p>24 And that's when they don't receive profits, they</p> <p>25 just roll the money over into new stock, but</p>	<p>1 Q. When you say "that," I just need</p> <p>2 to read the page number for the record. Can I</p> <p>3 see that page back.</p> <p>4 You're not sure of whose</p> <p>5 handwriting is --</p> <p>6 A. Right.</p> <p>7 Q. -- marked on page ending in 1483,</p> <p>8 that's HWN00001483.</p> <p>9 A. Um-hum.</p> <p>10 Q. Okay.</p> <p>11 A. There was one that looked like</p> <p>12 Annette's. That's what I was looking for.</p> <p>13 MS. CHAITMAN: 1622 is the one</p> <p>14 that you said had handwriting that looked like</p> <p>15 Annette's. Your testimony was, where it says R.</p> <p>16 Jaffe.</p> <p>17 A. I don't know, this could be</p> <p>18 Winnie's, it could be anyone's. I don't know.</p> <p>19 Q. Ms. Sala, I just want to be clear</p> <p>20 which page we're talking about right now.</p> <p>21 I would like to turn back to the</p> <p>22 page ending in HWN00001651.</p> <p>23 A. 1-6. I don't really know the</p> <p>24 handwriting, no.</p> <p>25 Q. Okay. Do you see the notations</p>
<p>when they need money, they take it out. That's</p> <p>a capital withdrawal.</p> <p>Q. And how does that differ from a</p> <p>profit withdrawal?</p> <p>A. Well, because if you don't need</p> <p>the money, you wouldn't take it out, you just</p> <p>roll it over into new stock.</p> <p>Q. Do you recognize the handwriting</p> <p>on this document?</p> <p>A. It looks like Annette's.</p> <p>Q. And how are you familiar with</p> <p>Annette's handwriting?</p> <p>A. I've just seen it over the years.</p> <p>I'm not positive it's hers; it looks sort of</p> <p>like it.</p> <p>Q. And to your knowledge these</p> <p>entries are similar to the entries we discussed</p> <p>on pages ending in 1538 and 1561?</p> <p>A. Ah-hah.</p> <p>Q. Yes?</p> <p>A. Oh, sorry.</p> <p>Q. Can I help you?</p> <p>A. Yes. When you said about the</p> <p>handwriting, there was one that I was sure of.</p> <p>I don't know whose that is, I don't.</p>	<p>approximately in the middle of the page with PW?</p> <p>A. Yes.</p> <p>Q. And to your knowledge do those</p> <p>represent profit withdrawal transactions?</p> <p>A. Yes.</p> <p>Q. And to your knowledge are those</p> <p>profit withdrawal transactions checks that were</p> <p>sent to customers?</p> <p>A. Yes.</p> <p>Q. And this appears to you to be a</p> <p>page in the check-out book?</p> <p>A. Yes.</p> <p>Q. If we could turn to page -- it's</p> <p>two pages forward, it's page HWN00001655. Do</p> <p>you recognize the handwriting on this page, Ms.</p> <p>Sala?</p> <p>A. It might be Fran's. I'm not sure.</p> <p>Q. And when you say Fran --</p> <p>A. Barbato.</p> <p>Q. Barbato.</p> <p>A. Could be anybody's. It could be</p> <p>Winnie's. You know, I don't know handwriting.</p> <p>It's pretty neat.</p> <p>Q. Does this document appear to you</p> <p>to be related to profit withdrawals?</p>

SIPC v BLMIS

Sala 5/19/2016

CONFIDENTIAL

15 (Pages 54 to 57)

Page 54	Page 56
<p>1 send account, did that customer have to request 2 his profits each time the profits are due? 3 A. No. 4 Q. In the event -- strike that. 5 If an account is marked as a send 6 account, does that customer receive his profits 7 when they're due automatically? 8 A. Yes. 9 Q. If a customer account was marked 10 as a reinvest account, what did that mean? 11 A. That means if they -- they just 12 kept rolling their money over. If they wanted 13 money, they had to send us a letter. But even 14 if a send wanted extra money, they had to send 15 in a letter. 16 Q. So let's break that down a little 17 bit. Let's talk about a send account right now. 18 With a send account, that account 19 can receive their profits without writing to 20 BLMIS each time they want their profits? 21 A. Yes. 22 Q. They receive them automatically? 23 A. Yes. 24 Q. If a send account wants an 25 additional amount to their profits, however,</p>	<p>1 Q. And that would be a capital 2 withdrawal? 3 A. Right, yes. 4 Q. And the capital withdrawal, does 5 that have an abbreviation within the records of 6 BLMIS? 7 A. On the check, yeah. In the 8 checkbook, the check-out book, if they wanted 9 extra money, it was a CW. 10 Q. And if they wanted just their 11 profits sent, what type of notation did you use 12 for those transactions? 13 A. We didn't; it was a PW. 14 Q. So, I want to turn to when an 15 account was set up. How was it determined 16 whether an account was a send account or a 17 reinvest account? 18 A. Whatever they wanted to do. 19 Q. When you say "they," you mean the 20 customer? 21 A. The customer, yeah. 22 Q. And did the customer communicate 23 that to BLMIS over the phone? 24 A. I don't know. I don't know. They 25 would just tell me how to set it up, and I would</p>
<p>1 they would need to send that request in writing 2 to BLMIS? 3 A. Yes. 4 Q. So there's two different types of 5 transactions that we're talking about? 6 A. Um-hum. 7 Q. Yes? 8 A. Yes. 9 Q. And the profit in a send account 10 are sent without any written request from the 11 customer? 12 A. Yes. 13 Q. And the one-off amounts -- sorry. 14 The additional amounts that you referred to 15 would have to be requested in writing? 16 A. Yes. 17 Q. In a send account? 18 A. Yes. Which would be a capital 19 withdrawal. 20 Q. When you say which would be a 21 capital withdrawal, are you referring to the 22 amounts in addition to the profits? 23 A. Yes. 24 Q. That were requested in writing? 25 A. Yes.</p>	<p>1 set it up that way. 2 Q. And when you say they would tell 3 you how to set it up -- 4 A. Bernie or Annette. 5 Q. And they would tell you whether to 6 have it be a send account or a reinvest account? 7 A. Yes. 8 Q. And were customers able to change 9 their account from a send to a reinvest account? 10 A. Yes. 11 Q. And were they able to change their 12 account from a reinvest to a send account? 13 A. Yes. 14 Q. And do you know how those changes 15 were communicated to BLMIS? 16 A. In writing. 17 Q. When a customer requested a change 18 such as from send to reinvest, what then 19 happened within BLMIS? 20 A. When the deal that they were in 21 came due, it would be changed. 22 Q. When you say it would be changed, 23 what do you mean? 24 A. From a reinvest to a send or a 25 send to a reinvest.</p>

SIPC v BLMIS**Sala 5/19/2016****CONFIDENTIAL**

16 (Pages 58 to 61)

<p style="text-align: right;">Page 58</p> <p>1 Q. And was that change marked in 2 BLMIS's records anywhere, to your knowledge? 3 A. I don't know. 4 Q. I just want to go back over a 5 couple of things. If the account was marked as 6 a send account, the customer received their 7 profits by check generally? 8 A. Yes. 9 Q. And if the account was a send 10 account and the BLMIS -- excuse me -- BLMIS sent 11 the customer a check, was the check generally 12 made out to the customer whose name was listed 13 on the statement, the customer statement? 14 A. Yes. 15 Q. We've touched on both PWs and CWs, 16 and I think you hit upon a couple of different 17 things, but I want to talk about the different 18 ways that customers could withdraw money from 19 BLMIS. 20 Was it possible for customers to 21 set up standing monthly withdrawals? 22 A. Yes. 23 Q. And did they do -- were customers 24 making standing monthly withdrawal requests in 25 writing?</p>	<p style="text-align: right;">Page 60</p> <p>1 A. Yes. 2 Q. And they would have to request 3 those additional amounts in writing? 4 A. Yes. 5 Q. But the profits they would not 6 have to make individual requests each time they 7 wanted their profits? 8 A. No. 9 Q. You testified about, or referred 10 to the deals and the length of the deals. 11 A. Um-hum. 12 Q. How was it determined how long a 13 deal would be offered for? 14 A. David, when he gave me the ticket, 15 it would say it's a six-week deal, a four-week 16 deal, whatever he had on there. 17 Q. So David determined that for you? 18 A. Yes. 19 Q. And that's David Kugel? 20 A. Yes. 21 Q. Ms. Sala, I do want to turn to 22 looking at some documents, so if you need to 23 take a break, now might be a good time. If 24 you'd like to keep going, I'm happy to keep 25 going.</p>
<p style="text-align: right;">Page 59</p> <p>1 A. I think it was like a one-time 2 thing, that if they wanted a monthly amount, 3 that they would have to send a letter. Not 4 every month, if that's how it was going to be 5 set up. 6 Q. So, would the customer be able to 7 direct BLMIS in its communication of how 8 frequently -- 9 A. Excuse me, but I don't think 10 that -- I don't think that that could be, 11 because if it was in the middle of a deal they 12 wouldn't send a check. 13 Q. Sorry, you don't think what could 14 be? 15 A. I mean, if you wanted a check 16 every month, that's impossible if you were in a 17 deal, which we thought they were in deals. 18 Q. I see. So for the accounts that 19 were in the arbitrage strategy, they would be 20 able to get their profits out? 21 A. Yes. 22 Q. Yes? 23 A. Yes. 24 Q. And would they be able to take any 25 additional amounts out?</p>	<p style="text-align: right;">Page 61</p> <p>1 A. No, that's fine. 2 (Trustee Exhibit 23 marked for 3 identification.) 4 Q. Ms. Sala, I'm showing you a 5 document that's been marked Trustee Exhibit 3 -- 6 Exhibit 23, I'm sorry, which is bearing the 7 Bates label beginning with AMF00162329. 8 Ms. Sala, if you could just take a 9 moment to review this document. Let me know 10 when you're ready. 11 A. I'm ready. 12 Q. So, Ms. Sala, I'd like to just 13 start with the very first page of the document 14 ending in AMF00162329. 15 Ms. Sala, does this look like the 16 type of folder that you referred to earlier? 17 A. Yes. 18 Q. And does this appear to you to be 19 a customer file maintained by BLMIS? 20 A. Yes. 21 Q. And does this appear to be the 22 type of file where BLMIS stored correspondence 23 from customers? 24 A. Yes. 25 Q. The very first page of the</p>

SIPC v BLMIS

Sala 6/13/2016

CONFIDENTIAL

Page 174

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

Adv. Pro. No.

-against- 08-01789 (SMB)

Defendant.

In Re:

BERNARD L. MADOFF,

Defendant.

June 13, 2016
9:58 a.m.

- CONFIDENTIAL -

Videotaped Continued Deposition of JOANN SALA, taken by attorneys for the Trustee, at the home of JoAnn Sala, 23 Shady Court, Bay Shore, New York, before SUZANNE PASTOR, a Shorthand Reporter and Notary Public within and for the State of New York.

SIPC v BLMIS

Sala 6/13/2016

CONFIDENTIAL

Page 193

1 the check-out book?

2 A. Check-out book, mm-hmm.

3 Q. So you would make entries in the
4 check-out book after reviewing the due date
5 report.

6 A. Yes.

7 Q. And then once you made your entries
8 in the check-out book, what did you do with the
9 check-out book next?

10 A. We just always left it in the same
11 place. And anybody could go -- everybody knew
12 where it was to go and put a check in there.

13 Q. What place was the check-out book
14 maintained?

15 A. I believe it was in Jodi's office.
16 Jodi Crupi.

17 Q. After the information was entered
18 into the check-out book, what happened after
19 that?

20 A. I guess they were punched in on the
21 date that -- whatever date was on the page,
22 that's when they would go out.

23 Q. And there were employees at BLMIS
24 that were responsible for punching information
25 into the computer system?

SIPC v BLMIS

Sala 5/19/2016

CONFIDENTIAL

44 (Pages 170 to 173)

<p style="text-align: center;">Page 170</p> <p>1 THE WITNESS: You're welcome. 2 MS. CHAITMAN: As we discussed 3 earlier, I'd like to reschedule at a time that 4 is mutually convenient for everyone. I'm going 5 to do my absolute best to get done in about 6 2-1/2 hours, but I need the time to put it all 7 together and I just don't have the time today 8 because I have a commitment in New York at 5:30. 9 THE WITNESS: Okay. 10 MS. CHAITMAN: Okay? Thank you so 11 much. 12 MS. BROWN: We can go off the 13 record. 14 THE VIDEOGRAPHER: The time is 15 2:04 p.m. This concludes the deposition. Off 16 the record. 17 (Deposition concluded.) 18 -00o-</p>	<p style="text-align: center;">Page 172</p> <p>1 JURAT 2 I, JO ANN SALA, have read the 3 foregoing deposition and hereby affix my 4 signature that same is true and correct, except 5 as noted above.</p> <p style="text-align: right;">_____ JO ANN SALA</p> <p>6 THE STATE OF _____ 7 8 COUNTY OF _____</p> <p>9 10 Before me, _____, on this 11 day personally appeared _____, 12 known to me (or proved to me on the oath of or 13 through _____ (description of identity 14 card or other document) to be the person whose 15 name is subscribed to the foregoing instrument 16 and acknowledged to me that he/she executed the 17 same for the purpose and consideration therein 18 expressed. 19 Given under my hand and seal of office on 20 this _____ day of _____, _____. 21 22</p> <p style="text-align: right;">_____ NOTARY PUBLIC IN AND FOR THE STATE OF _____</p> <p>23 24 My Commission Expires: _____.</p>
<p style="text-align: center;">Page 171</p> <p>1 ERRATA SHEET</p> <p>2 3 WITNESS NAME: JO ANN SALA</p> <p>4 PAGE/LINE CHANGE REASON</p> <p>5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: center;">Page 173</p> <p>1 REPORTER'S CERTIFICATION</p> <p>2 3 I, NANCY C. BENDISH, Certified 4 Court Reporter and Notary Public of the States 5 of New York and New Jersey, do hereby certify 6 that, prior to the commencement of the 7 aforementioned examination, JO ANN SALA was 8 sworn by me to testify the truth, the whole 9 truth and nothing but the truth.</p> <p>10 I DO FURTHER CERTIFY that the 11 foregoing is a true and accurate transcript of 12 the testimony as taken stenographically by and 13 before me at the time, place, and on the date 14 hereinbefore set forth.</p> <p>15 I DO FURTHER CERTIFY that I am 16 neither a relative nor employee nor attorney nor 17 counsel of any party in this action and that I 18 am neither a relative nor employee of such 19 attorney or counsel, and that I am not 20 financially interested in the event nor outcome 21 of this action.</p> <p>22 23 24 NANCY C. BENDISH, CCR, RMR, CRR, CLR 25 Realtime Systems Administrator Certificate No. XI00836 Dated: May 20, 2016</p>

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SIPC v BLMIS

Sala 6/13/2016

CONFIDENTIAL

Page 284

1 p.m. Off the record.

2 (TIME NOTED: 1:36 p.m.)

3

4 JOANN SALA

5

6 Subscribed and sworn to before me

7 this day of , 2016.

8

9 _____

10 Notary Public

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SIPC v BLMIS

Sala 6/13/2016

CONFIDENTIAL

Page 285

1 WITNESS: _____

DATE(S): _____

2 CASE: _____

3 I wish to make the following changes, for the
following reasons:

4

PAGE LINE _____

5 _____ CHANGE FROM: _____

_____ CHANGE TO: _____

6

REASON: _____

7 _____ CHANGE FROM: _____

_____ CHANGE TO: _____

8

REASON: _____

9 _____ CHANGE FROM: _____

_____ CHANGE TO: _____

10

REASON: _____

11 _____ CHANGE FROM: _____

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REASON: _____

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REASON: _____

15 _____ CHANGE FROM: _____

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REASON: _____

17 _____ CHANGE FROM: _____

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REASON: _____

19 _____ CHANGE FROM: _____

_____ CHANGE TO: _____

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REASON: _____

21 _____ CHANGE FROM: _____

_____ CHANGE TO: _____

22

23 Subscribed and sworn to before me this _____ day
of _____, 2016.

24

25 _____

SIPC v BLMIS

Sala 6/13/2016

CONFIDENTIAL

Page 286

1 C E R T I F I C A T E

2

3 STATE OF NEW YORK)

4 : SS.

5 COUNTY OF NEW YORK)

6

7 I, SUZANNE PASTOR, a Shorthand
8 Reporter and Notary Public within and for the
9 State of New York, do hereby certify:

10 That the witness whose deposition is
11 hereinbefore set forth, was duly sworn by me and
12 that such deposition is a true record of the
13 testimony given by the witness.

14 I further certify that I am not
15 related to any of the parties to this action by
16 blood or marriage, and that I am in no way
17 interested in the outcome of this matter.

18 IN WITNESS WHEREOF, I have hereunto
19 set my hand this _____, 2016.

20

21

22 _____
23 SUZANNE PASTOR

24

25